

Message Text

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ORIGIN AF-18

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 L-03 SS-20 NSC-10

DODE-00 PA-04 USIA-15 PRS-01 DRC-01 STR-08 /182 R

DRAFTED BY AF/W:JKBISHOP:JS

APPROVED BY AF:RSSMITH

AF/W:JLLOUGHRAN

EB/IFD/ODF:EMLINTON

EB/IFD/OIA:CNELLIS (INFO)

AID/AFR/CWA:AHELLIS

TREAS:HSHAPIRO

EXIM:WWGLICK

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P R 121923Z NOV 73

FM SECSTATE WASHDC

TO AMEMBASSY ACCRA PRIORITY

INFO AMEMBASSY LONDON

C O N F I D E N T I A L STATE 222906

E.O. 11652: GDS

TAGS: EFIN, EAID, PFOR, GH, IBRD

SUBJECT: GHANA DEBT: CONTRACTS

REF: (A) STATE 220594; (B) STATE 220517; (C) ACCRA 6767;

(D) ACCRA 6719

1. IN MAKING RESPONSE TO GOG NOTES OF SEPTEMBER 7 AND OCTOBER 25, EMBASSY MAY DRAW FOR ORAL PRESENTATION ON FOLLOWING GUIDANCE, WHICH IS INTENDED AMPLIFY POSITION EMBODIED FORMAL RESPONSE CABLED REFTTEL A.

2. AS EMBASSY REPORTED REFTTEL D, SEPTEMBER 7 NOTE WAS ATTEMPT BY AGAMA SHIFT RESPONSIBILITY TO CREDITORS FOR FAILURE HIS COMMITTEE COMPLETE CONTRACT REVIEW AS SCHEDULED BY MAKING IT APPEAR THAT COMPLETION OF REVIEW CONTINGENT ON INFORMATION REQUESTED FROM CREDITORS.

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3. OBVIOUS THAT GOG MUST HAVE MUCH OF THE INFORMATION RE-

QUESTED IN SEPTEMBER 7 NOTE. ACCORDING IBRD STAFF, MUCH OF IT IS AVAILABLE IN BANK OF GHANA'S DEBT OFFICE. HOWEVER, APPEARS MCGIBBON WAS INCORRECT WHEN HE INFORMED CREDITORS SEPTEMBER 19 IN LONDON THAT IBRD HAD FURNISHED THIS INFORMATION TO GOG. GHANAISANS HAVE DATA BECAUSE GHANA GOVERNMENT WAS PARTY TO CONTRACTS IN QUESTION AND CONTRACT DATA WAS COLLECTED BY DEBT OFFICE PRIOR 1966 RESCHEDULING NEGOTIATIONS. IBRD STAFF SAYS SOME INFORMATION IS MISSING, PRESUMABLY BECAUSE PARTICIPANTS IN TAINTED DEALS TRIED COVER THEIR TRACKS AS FULLY AS POSSIBLE.

4. IN ADDITION THESE FACTORS, FOLLOWING WERE CONSIDERATIONS PROMPTING US RESPONSE TRANSMITTED REFTEL A:

A. IMPLICIT IN GHANAISAN NOTE IS REQUIREMENT THAT SUPPLIERS AND THEIR GOVERNMENTS ASSUME BURDEN OF ESTABLISHING THAT CONTRACTS WERE FULFILLED. USG REJECTS THIS REQUIREMENT, BELIEVING THAT IF GHANAISANS QUESTION FULFILLMENT OF CONTRACTS IT IS PRIMARILY THEIR RESPONSIBILITY TO COLLECT AND PRESENT SUPPORTING EVIDENCE.

B. REGARDING NKRUMAH DEBT, GOG IS BELIEVED HAVE ALL THE DETAILS IT REQUIRES CONCERNING CONTRACTS WITH AMERICAN SUPPLIERS WHICH UNDERLAY DEBTS RESCHEDULED IN 1966 AND 1968. USG DOES NOT HAVE COPIES OF THESE CONTRACTS, NOR DOES IT HAVE MOST DETAILS REGARDING THEM REQUESTED IN SEPTEMBER 7 NOTE. BELIEVE THE ONLY TWO US FIRMS INVOLVED MAY BE UNLIKELY STILL HAVE RELEVANT RECORDS, GIVEN TIME WHICH HAS TRANSPIRED SINCE CONTRACTS WERE NEGOTIATED, AND FACT THEY WERE PAID OFF BY EXIM.

C. REGARDING POST NKRUMAH DEBT, FOR REASONS OUTLINED PARA A, USG RELUCTANT PARTICIPATE IN ANY DISCUSSION OF DOCUMENTATION OR CONTRACT FULFILLMENT. IN MEDIUM TERM CATEGORY, ONLY ONE CREDIT TO GOG GUARANTEED BY USG, I.E. BELL HELICOPTER SALE. USG DIRECT MEDIUM-TERM CREDITS WERE TO VALCO AND FIRESTONE GHANA, LTD. SHORT-TERM INSURANCE CLAIMS RELATED ONLY TO TRANSFER RISKS UNDER NORMAL TRADE TRANSACTIONS, NOT TO COMMERCIAL CREDIT RISKS.

D. USG HAS NO DETAILED KNOWLEDGE OF UNINSURED CREDITS EXTENDED BY AMERICAN FIRMS TO GOG.

E. WITHIN LIMITS DESCRIBED ABOVE, USG IS PREPARED COOPERATE WITH GOG. HOWEVER, ESSENTIAL THAT GOG SPECIFY PRECISELY WHAT INFORMATION IT ACTUALLY REQUIRES, AS, FOR CONFIDENTIAL

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REASONS GIVEN, USG UNABLE AND/OR UNWILLING PROVIDE DOCUMENTATION AND DATA REQUESTED WHOLESALE BY AGAMA.

F. USG HAS NO REASON BELIEVE CONTRACTS WITH US FIRMS ACTUALLY ARE SUSPECT AND THEREFORE HOPEFUL CABLED RESPONSE REFTEL A WILL BE VIEWED BY GOG AS ADEQUATE AMERICAN REPLY TO A REQUEST INTENDED PRIMARILY FOR BRITISH AND OTHER CREDITORS. RUSH

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